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Central Intelligence Agency



Washington, D.C. 20505

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The Honorable Joseph P. Addabbo, Chairman
Subcommittee on Defense
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I indicated to you in my letter of 14 July 1981 that I had asked our Office of Personnel to undertake a thorough review and analysis of overall Agency pay scales and the compensation of Intelligence Community civilians posted overseas. This review will address your concerns as to comparable compensation of overseas personnel and will also examine the effectiveness of our present compensation practices.

In order to supplement our in-house resources and to introduce a measure of outside objectivity, I decided to employ a consultant for this purpose. CIA has entered into a contract with the firm of [redacted] to assist us in this task. [redacted] is one of the nation's top flight compensation consulting firms with a number of large international clients and a very comprehensive overseas and domestic salary data base.

[redacted] will finish the first phase of its study concerning overseas personnel on or before our projected date of 1 February 1982. This effort will be community-wide in nature and will consist of on-site visits to a number of overseas locations of dispersed size and geographic location where there is community-wide representation. Position audits will be conducted on the four key occupational areas across Agency lines in the Department of State, NSA, DIA and CIA. Comparisons, for example, will be made between CIA Operations Officers and State Department Foreign Service Officers. The final product will include quantitative evaluations of major classes of positions community-wide and salary recommendations for these against applicable pay data, using the total compensation approach. In the second phase of this study we have asked the consultant, once the overseas portion has been completed, to examine other aspects of our compensation system.

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We are presently coordinating the overseas portion with the three other agencies [redacted]

[redacted] The surveys of foreign installations will occur in November and December. Following completion of the study near the end of January, I will be pleased to provide the report to the Committee and to share with you my plan of action.

In response to your Formal Question #18 from the 23 July 1981 hearing, I am enclosing the statement of work for this effort and the individual tasks to be done by our contractor. If you desire additional information we can arrange a briefing for your staff.

Sincerely,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence

CIA COMPENSATION STUDY

Statement of Work:

The Contractor shall provide the necessary qualified personnel, materials and facilities to evaluate the Agency's existing compensation practices and recommend possible alternatives.

In carrying out the objectives of this study, the Contractor shall:

- A. Review and analyze overseas pay practices,
- B. Identify any existing compensation problems; and, if indicated,
- C. Identify and recommend options for modifying the existing compensation systems.

Task Plan for Review of Overseas Positions:

- Task 1 Obtain and Review Background Information
- Task 2 Receive Briefings and Conduct Background Interviews
- Task 3 Select Overseas Benchmark Positions and Locations
- Task 4 Conduct On-site Audits and Evaluate Overseas Positions
- Task 5 Price Overseas Positions Utilizing the Total Compensation Approach
- Task 6 Prepare Final Overseas and Interim Overall Report